

***Table of Contents***

**BUSH ADMINISTRATION MULLS NATIONAL COUNTERINTELLIGENCE  
STRATEGY**

*NOVEMBER 29, 2004 ..... PAGE 1*

**VAN CLEAVE: DAMAGE ASSESSMENTS IN SPY CASES NEED MORE  
ATTENTION**

*NOVEMBER 29, 2004 ..... PAGE 7*

Van Cleave urges going on the offensive

## BUSH ADMINISTRATION MULLS NATIONAL COUNTERINTELLIGENCE STRATEGY

---

Date: November 29, 2004

The White House may soon approve a national counterintelligence strategy to identify, assess, neutralize and exploit foreign intelligence threats at home and abroad, according to Michelle Van Cleave, the Bush administration's national counterintelligence executive.

Van Cleave said Nov. 18 that the strategy is "en route to the president for review." She spoke about the new strategy during remarks presented at Potomac Institute for Policy Studies in Arlington, VA. Later, she told *Inside the Navy* President Bush may approve the strategy by the end of the year. The idea is to break new ground by providing strategic guidance to the counterintelligence community, a loosely connected band of officials spread throughout various agencies.

"Counterintelligence is inherently a strategic, national security instrument," she told the audience. "But in times past, the U.S. government did not take a strategic view of CI. The near 60-year history of counterintelligence has been one of having no one in charge of the enterprise. Our community was not organized or structured to a national mission."

Like the U.S. national security strategy for the war on terror, U.S. counterintelligence needs to go on the offensive, said Van Cleave.

"Offensive counterintelligence, put into a larger context, can be used to diffuse or to shape an emerging threat, to influence key decisions of our adversaries, to mask vulnerabilities, to advance diplomatic objectives or to confer advantages on the negotiating table or on the battlefield," she said. "In wartime, we must be able to defeat the adversary's intelligence capabilities, including their ability to deceive or mislead us."

Van Cleave, who was appointed in late July 2003, suggested the Iraq war showed there was room for improvement.

"Our experience with Iraq reminded us that neutralizing the intelligence services of the adversary is a crucial element in winning the war and that it is far better to plan well in advance than on a crash

basis,” she said. “Strategic CI planning can also increase the options available to decision-makers for advancing national objectives while avoiding war.”

The strategy may also recommend the creation of a national center for counterintelligence, which could be established alongside other centers once the administration and Congress agree on plans for a national intelligence director. Van Cleave called for such a center in her speech and in remarks to *ITN* afterward, but she declined to confirm if the idea is in the draft strategy.

“From my perspective, what would be helpful in having a CI integration center would be to have a place where all of the elements in the counterintelligence community, at least the operational elements of the CI community, could come together, have representation and work together in a joint environment to do strategic planning,” she told *ITN*. The center, she noted, would include “a very small number of people.” She speculated the center would report to her, but said nothing final has been decided.

There is a counterintelligence field activity in the Office of the Secretary of Defense that performs a strategic integration role for all of the Defense Department, she said. But campaign planning that was done in the course of the runup to the Iraq war -- and subsequent campaign planning that endeavors to identify the intelligence capabilities of potential adversaries and determine what must be done in the war plans to be able to neutralize those capabilities -- that kind of campaign planning requires not only interservice representation but also CIA, FBI and other national elements, she said.

“So the integration center would be a place from which, on a standing basis, we might be able to do that kind of campaign planning,” she said.

### **A change in direction**

During the Cold War, foreign intelligence services repeatedly penetrated U.S. national security, causing grave damage in peacetime, Van Cleave told the audience. Now the stakes are even higher, she said.

“Well, now we are at war,” she said. “And the potential consequences of intelligence failure are far more immediate, putting in jeopardy deployed troops, ongoing operations and the lives of Americans at home. So, as I look across the U.S. counterintelligence community, I am seized with the need to do our job as though it were the morning after.”

And what is that job? Counterintelligence is viewed in some quarters as a matter of finding spies and putting them in jail. Counterespionage is surely part of the mission, but in practice CI is far more than

that, she said.

“CI embraces all activities, human and technical, whether at home or abroad, that are undertaken to identify, assess, neutralize and exploit foreign intelligence threats,” she said. “Viewed from this perspective, counterintelligence is inherently a strategic, national security instrument.”

But the CI community has not had a strategic focus in the past, she said. “Rather, the varying CI elements have grown out of individual department or agency needs,” Van Cleave said. “They are part of a loose confederation of independent organizations with narrower and varying responsibilities and jurisdictions and capabilities.”

The U.S. government’s CI operations have tended to focus on individual cases and are conducted, for the most part, with little appreciation of the potential impact of a synergistic effort, she said.

“Many previous counterintelligence deficiencies have been the result of this systemic failure in the architecture of the CI community,” she said.

To begin to remedy the situation, and to bring strategic coherence to U.S. counterintelligence, the Congress created the position and the office of the national counterintelligence executive. The law directs that the NCIX, as Van Cleave’s position is known, shall serve as the head of counterintelligence for the U.S. government, subject to the direction and control of the president.

“My job is to provide strategic direction to U.S. counterintelligence, to integrate CI activities of the U.S. government, and to ensure that the president and his national security policy leadership are informed by the insights and policy options that counterintelligence can supply,” she said.

U.S. counterintelligence is not only embracing a more strategic focus, but also playing a new role in policy discussions, she said.

“Specifically, we need to be able to present an array of strategic CI operational and information options in foreign and defense policy for the president and his national security team,” she said. “Never before has counterintelligence had a seat at the policy table, but these are unusual times.”

The threats the United States faces are grave, diverse and changeable, as are their corresponding intelligence footprints, she said.

“All of the instruments of America’s power and resourcefulness must be pulled together and

transformed to meet these threats,” she said. “To that end, U.S. counterintelligence is a strategic national resource that must step up to the calling before us. In the past we have had important successes but we have also fallen short. In the future, we cannot afford half measures.”

The job of the national counterintelligence executive is a “hugely ambitious undertaking,” she said. “It is especially challenging against the current background of political change and legislative unrest, which has many of the three-letter agencies fearful of perceived criticism or encroachment on their turf or of a national-level entity looking over their shoulder.”

Bureaucracy and turf battles can also hinder U.S. national security, she said.

“In many ways that kind of reflexive parochialism is a greater concern from the standpoint of our nation’s security than the intelligence activities of our adversaries,” she told the audience. “I must say that any day when I find that more of my energies have been devoted to countering the bureaucracy than to countering the enemy is a day lost. And there are frankly too many days in the lose column.”

The CI community must remember the big picture, she said.

“Hostile intelligence services do not target an FBI field office or a CIA station or a military unit -- they target the United States,” she said. “For our nation’s security, we need to approach counterintelligence strategically and that mission is beyond the ability of any one agency alone to accomplish. That philosophy animates a draft national CI strategy, which is en route to the president for review. With his approval, I am hopeful that we will be able to release the broad outline of that strategy to the public.”

### **Going on the offense**

“In my view, the imperatives for U.S. counterintelligence parallels the strategic imperative for the global war on terrorism -- to go on the offense,” Van Cleave told the audience. “In support of the nation’s security, U.S. counterintelligence needs to shift emphasis from a posture of reacting to a proactive strategy of seizing advantage.”

That means taking a two-step approach, she said.

“First, a strategic counterintelligence assessment and engagement of adversary presence, capabilities and intentions,” she said. “And second, a CI doctrine for attacking foreign intelligence services systematically via strategic CI operations.”

Van Cleave insisted, "There is great opportunity here." Apart from specific wartime actions, the U.S. government has never orchestrated its CI resources in this manner, she noted.

"As I've said, the National Security Strategy decrees that we will not sit back waiting for threats to gather strength," she said. "Rather we will act to prevent them from harming us. Countering hostile intelligence activities is potentially a very high payoff part of that strategy."

Van Cleave suggested the administration might be exploring new, difficult territory when it comes to going on the offense with CI in the United States.

"Executing this strategy will be exceptionally challenging at home," she said. "The concept of a preemptive focus is something that has been lacking in our concept of domestic counterintelligence. But just as we are seized with the irreducible need to find and stop terrorists within our borders, so too can we develop ways to identify other adversary intelligence presence here and to disable their operations against us."

### **Resourcing the strategy**

Officials "will need to take a hard look at how we are resourced to execute such a strategy," Van Cleave said.

"Budget is one of those measurements," she said. "Recruitment, training and education are longer lead-time concerns. Enabling our personnel to do the job they need to do begins with opening their eyes and in some cases the eyes of their senior management to what it means to speak of a strategic mission for counterintelligence."

U.S. CI officials must be organized properly to execute that mission and there must be better integration of CI activities, she said.

"That requires something more than the ad hoc arrangements that are made in individual cases, although such teaming and coordination is often put to excellent ends," she said. "Rather the challenge is to establish a national CI system that ensures the integration of those elements that are essential to the execution of the strategic CI mission."

She said the CI community is making progress toward the needed systemic improvements given the current interest in centralization and integration of the intelligence community overall.

**© 2004 Inside Washington Publishers**

*Not for reproduction, republication, redistribution or posting on networks.*

The proposal for a national intelligence director and supporting national-level centers largely grew out of counterterrorism concerns and the 9/11 Commission report and other such recommendations, she said.

“But in the various legislative proposals, and in all of the discussions I’ve had with their authors and proponents, there is a common judgment that is implicit or explicit -- that CI also warrants a national center as the new architecture emerges,” she said. “And so we are exploring the parameters of a national CI integration center and it’s role in strategic planning to support CI operations.” –

*Christopher J. Castelli*

## VAN CLEAVE: DAMAGE ASSESSMENTS IN SPY CASES NEED MORE ATTENTION

---

Date: November 29, 2004

When U.S. national security is severely compromised in major spy cases or through other means, the important damage assessments performed by U.S. counterintelligence officials rarely get the attention they deserve in the U.S. government.

That is the view of Michelle Van Cleave, the Bush administration's national counterintelligence executive.

A systemic improvement is needed to address the problem, she said in a speech Nov. 18 at the Potomac Institute for Policy Studies in Arlington, VA.

"Whenever there is a major spy case or similarly severe compromise of national security information, my office oversees and produces damage assessments of what has been lost," she told the audience. In the past, owing in part to security compartmentalization, these damage assessments have received very limited distribution, said Van Cleave.

"There has been little accountability among policymakers or program managers to take compensatory measures." Beyond merely distributing the assessments, there is the challenge of ensuring the assessments have an impact, she noted.

"Even where damage assessments have reached the desks of responsible managers, their findings may be rejected or minimized because of the negative impact on budgets and programs and jobs," she said.

Looking ahead, Van Cleave said the counterintelligence community needs to ensure that assessments of what has been compromised are available to decision-makers, warfighters and operators who are responsible for the affected policies, plans and programs.

"And it seems to me that these decision-makers, in turn, should be held accountable to the national security leadership and the president for the hard judgment calls of what to do," she said. "It is their job to identify and make the needed changes in op-plans, weapons systems, intelligence methods and other capabilities and resources put at risk by the acts of spies or other foreign intelligence successes against us." -- *Christopher J. Castelli*